



# **Circular Letter**

Date: February 9, 2006

California Public Employees' Retirement System  
P.O. Box 942701  
Sacramento, CA 94229-2701  
(916) 795-3829  
Telecommunications Device for the Deaf  
No Voice (916) 795-3240

Reference No.:

Circular Letter No.: 310-010-06

Distribution: I, IIA, IV, V, VI, X, XII

Special:

**TO:** EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS  
AND OTHER INTERESTED PARTIES

**SUBJECT:** MEETING NOTICE OF THE CALPERS BOARD OF ADMINISTRATION,  
ITS COMMITTEES AND ADVISORY PANELS

Chief Investment Officer Recruitment Subcommittee

Date and Time: Wednesday, February 22, 2006, 10:00 a.m.

Location: Room 1150, Lincoln Plaza North, 400 Q Street, Sacramento, CA

The Committee will meet in closed session to discuss Chief Investment Officer recruitment pursuant to Government Code sections 11126 (a)(1) and (g)(1).

Items scheduled for the public sessions of the meetings are listed on the attached agendas. This information is also available on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov). Questions pertaining to the meetings may be directed to Lanette Hunt at 916/795-3829.

The Board would be pleased to have you or representatives of your agency at the public sessions. The facilities are accessible to persons with disabilities. Requests for sign language or captioning services require a minimum of 72 hours notice. To request service, please call 916/795-3065 (voice or TTY).

FRED BUENROSTRO  
Chief Executive Officer

Attachments

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**CHIEF INVESTMENT OFFICER RECRUITMENT SUBCOMMITTEE**

**FEBRUARY 22, 2006  
10:00 A.M.**

**LINCOLN PLAZA NORTH  
400 Q STREET  
ROOM 1150  
SACRAMENTO, CALIFORNIA**

**SUBCOMMITTEE MEMBERS**

**Robert Carlson  
Rob Feckner  
Priya Mathur  
Michael Navarro  
Charles Valdes**

**AGENDA**

**OPEN SESSION**

1. CALL TO ORDER AND ROLL CALL
2. ELECTION OF CHAIR AND VICE CHAIR

**CLOSED SESSION**

(Gov. Code Sections  
11126(a)(1) and (g)(1))

- |                           |   |
|---------------------------|---|
|                           | 1. CALL TO ORDER AND ROLL CALL  |
| Action/Chris O'Brien      | 2. REVIEW OF CHIEF INVESTMENT OFFICER<br>CANDIDATES AND SELECTION FOR FIRST<br>ROUND INTERVIEWS |
| Information/Chris O'Brien | 3. REVIEW OF INTERVIEW PROCESS  |

Meeting materials will be handed out at the meeting.

NOTE: Items designated for information are appropriate for Subcommittee action if the Subcommittee wishes to take action. Any agenda item acted upon at this subcommittee meeting may be brought to the Investment Committee at its next regularly scheduled meeting.



# **Circular Letter**

Date: February 3, 2006

California Public Employees' Retirement System  
P.O. Box 942701  
Sacramento, CA 94229-2701  
(916) 795-3829  
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No Voice (916) 795-3240

Reference No.:

Circular Letter No.: 310-009-06

Distribution: I, IIA, IV, V, VI, X, XII

Special:

**TO:** EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS  
AND OTHER INTERESTED PARTIES

**SUBJECT:** MEETING NOTICE OF THE CALPERS BOARD OF ADMINISTRATION,  
ITS COMMITTEES AND ADVISORY PANELS

The CalPERS Board of Administration, its Committees and Advisory Panels are scheduled to meet on the following days in February. All meetings will be held in public session unless otherwise noted.

## **Investment Committee**

Date and Time: Tuesday, February 14, 2006, 8:30 a.m.

Location: Room 1150, Lincoln Plaza North, 400 Q Street, Sacramento, CA

The Committee will meet in closed session to discuss personnel and investment matters pursuant to Government Code sections 11126(a)(1) and (c)(16) and Chief Investment Officer recruitment pursuant to Government Code sections 11126 (a)(1) and (g)(1).

## **Investment Committee**

Date and Time: Tuesday, February 14, 2006, 9:00 a.m. or upon adjournment of the preceding Investment Committee closed session, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

A closed session will be held upon adjournment or recessing of the open session to consider investment matters pursuant to Government Code section 11126(c)(16).

## **Ad Hoc Board Governance**

Date and Time: Tuesday, February 14, 2006, 11:00 a.m. or upon adjournment or recessing of the Investment Committee meeting, whichever is later

Location: Room 1140, Lincoln Plaza North, 400 Q Street, Sacramento, CA

## **Benefits and Program Administration Committee**

Date and Time: Wednesday, February 15, 2006, 9:00 a.m.

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Health Benefits Committee

Date and Time: Wednesday, February 15, 2006, 9:30 a.m. or upon adjournment or recessing of the Benefits and Program Administration Committee meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

A closed session will be held upon adjournment or recessing of the open session to discuss 2007 health plan contract negotiations pursuant to Government Code section 11126(c)(17) and 2006-2007 Long-Term Care rates and competitive strategy pursuant to Government Code section 11126(h).

Board of Administration

Date and Time: Thursday, February 16, 2006, 8:00 a.m.

Location: Room 1150, Lincoln Plaza North, 400 Q Street, Sacramento, CA

The Board will meet in closed session to discuss personnel issues pursuant to Government Code sections 11126(a)(1) and (g)(1).

Board of Administration

Date and Time: Thursday, February 16, 2006, 9:00 a.m. or upon adjournment of the closed session of the Board of Administration, which is scheduled to commence at 8:00 a.m., whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Board of Administration

Date and Time: Thursday, February 16, 2006 10:30 a.m. or upon adjournment of the Board of Administration meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Board members will attend an Ethics Workshop.

Items scheduled for the public sessions of the meetings are listed on the attached agendas. This information is also available on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov). Questions pertaining to the meetings may be directed to Lanette Hunt at 916/795-3829.

The Board would be pleased to have you or representatives of your agency at the public sessions. The facilities are accessible to persons with disabilities. Requests for sign language or captioning services require a minimum of 72 hours notice. To request service, please call 916/795-3065 (voice or TTY).

FRED BUENROSTRO  
Chief Executive Officer

Attachments

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

**BOARD OF ADMINISTRATION**

**INVESTMENT COMMITTEE**

**February 14, 2006**

**PLACE:**

**Lincoln Plaza North  
Auditorium  
400 Q Street  
Sacramento, California**

**TIME:**

**CLOSED SESSION      8:30 a.m.**

**CHIEF INVESTMENT OFFICER'S BRIEFING ON  
MARKET AND PERSONNEL ISSUES  
(Government Code sections 11126(a)(1) and (c)(16))**

**CHIEF INVESTMENT OFFICER RECRUITMENT  
(Government Code sections 11126(a)(1) and (g)(1))**

**OPEN SESSION      9:00 a.m.**

**CLOSED SESSION      Upon adjournment or recessing of Open Session  
(Government Code section 11126(c)(16))**

**ROLL CALL:**

**Committee Members**

**Charles Valdes, Chair  
George Diehr, Vice Chair  
Philip Angelides  
Marjorie Berte  
Robert F. Carlson  
Rob Feckner  
Priya Mathur  
Michael Navarro  
Tony Oliveira  
Mike Quevedo, Jr.  
Kurato Shimada  
Maeley Tom  
Steve Westly**

	1. CALL TO ORDER AND ROLL CALL
ACTION	2. Approval of Agenda
ACTION	3. Approval of the December 12, 2005 Open Session Minutes
ACTION / INFORMATION	4. Real Estate <ul style="list-style-type: none"> <li>a. R Street Subcommittee Report</li> </ul>
INFORMATION	5. Alternative Investment Management (AIM) Program <ul style="list-style-type: none"> <li>a. California Initiative Update</li> </ul>
ACTION / INFORMATION	6. Global Equity <ul style="list-style-type: none"> <li>a. New Enhanced Indexing Initiative</li> <li>b. Legislative Reports: Holocaust Era and Northern Ireland Annual Reports</li> <li>c. Executive Compensation Strategic Plan Update</li> <li>d. Update on Investments in Companies Doing Business in the Sudan</li> <li>e. Corporate Governance Internal Staff Working Group Update</li> <li>f. Permissible Equity Market Investment Analysis Update</li> <li>g. Manager Development Program II Update</li> </ul>
ACTION / INFORMATION	7. Global Fixed Income <ul style="list-style-type: none"> <li>a. Credit Enhancement Program Annual Review</li> <li>b. International Fixed Income RFP Request with Spring-Fed Pool</li> </ul>
CONSENT	8. Policy Subcommittee Report <ul style="list-style-type: none"> <li>a. Real Estate Policies           <ul style="list-style-type: none"> <li>1) Revision of Equity Real Estate</li> <li>Revision of Opportunistic Real Estate</li> <li>2) Revision of Equity Real Estate Leverage</li> </ul> </li> <li>b. Equity Policy           <ul style="list-style-type: none"> <li>1) Adoption of International Enhanced Index Strategy – Externally Managed</li> </ul> </li> <li>c. Fixed Income Policy           <ul style="list-style-type: none"> <li>1) Revision of Dollar-Denominated Fixed Income Short Duration Investment</li> </ul> </li> </ul>
INFORMATION / CONSENT	9. Chief Investment Officer's/Assistant Executive Officer's Report <ul style="list-style-type: none"> <li>a. Consolidated Investment Activity Report</li> <li>b. Selection of Master Custodian</li> </ul>
INFORMATION	10. Draft Agenda for March 13, 2006
	11. Public Comment

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

**BOARD OF ADMINISTRATION**

**INVESTMENT COMMITTEE**

**February 14, 2006**

<b>CLOSED SESSION</b>	<b>Upon adjournment or recessing of Open Session</b> (Government Code section 11126(c)(16))	
	1.	CALL TO ORDER AND ROLL CALL
ACTION	2.	Approval of the December 12, 2005 Executive Closed and Closed Session Minutes
ACTION / INFORMATION	3.	Asset Allocation Update
ACTION / INFORMATION	4.	Real Estate <ul style="list-style-type: none"><li>a. Delegation to Authorize Purchase of International REITs</li><li>b. Portfolio Acquisitions</li></ul>
INFORMATION	5.	Alternative Investment Management (AIM) Program <ul style="list-style-type: none"><li>a. Strategic Partner Update: TWP</li></ul>
ACTION / INFORMATION	6.	Global Equity <ul style="list-style-type: none"><li>a. Corporate Governance – Executive Compensation Strategic Plan Update</li><li>b. External Manager Update</li></ul>
INFORMATION	7.	Global Fixed Income <ul style="list-style-type: none"><li>a. External Manager Update</li></ul>
INFORMATION	8.	Chief Investment Officer's/Assistant Executive Officer's Report <ul style="list-style-type: none"><li>a. Status of Action Items Not Yet Reported</li></ul>
CONSENT	9.	Activity Reports <ul style="list-style-type: none"><li>a. Alternative Investment Management Program</li><li>b. Risk Managed Absolute Return Strategies Program</li><li>c. Public Markets</li></ul>

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**AD HOC BOARD GOVERNANCE COMMITTEE**

**February 14, 2006  
11:00 a.m. or Upon Adjournment or Recess of the  
Investment Committee Meeting, Whichever is Later**

Lincoln Plaza North  
400 Q Street  
Room 1140  
Sacramento, CA

**COMMITTEE MEMBERS**

Rob Feckner, Chair  
George Diehr, Vice Chair  
Robert Carlson  
Priya Mathur  
Kurato Shimada  
Chuck Valdes

**AGENDA**

- |        |    |   |
|--------|----|---|
|        | 1. | Call To Order And Roll Call   |
| Action | 2. | Approval of the December 13, 2005 Ad Hoc Board Governance Committee Meeting Minutes |
| Action | 3. | Board/Staff Relations and Communication Protocols                                   |
| Action | 4. | Board and Committee Meeting Procedures / Code of Ethics                             |
| Action | 5. | Board Travel  |
| Action | 6. | Future Committee Meeting Dates / Draft Agenda                                       |
|        | 7. | Public Comment  |

Note: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item properly noticed for this Committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE**

**February 15, 2006**

**9:00 a.m.**

Lincoln Plaza North  
400 Q Street - Auditorium  
Sacramento, California

**COMMITTEE MEMBERS**

Kurato Shimada, Chair  
Rob Feckner, Vice Chair  
Philip Angelides  
Robert F. Carlson  
George Diehr  
Priya Mathur  
Michael Navarro  
Steve Westly

**AGENDA**

- |                           |    |  |
|---------------------------|----|--|
|                           | 1. | CALL TO ORDER AND ROLL CALL  |
|                           | 2. | APPROVAL OF DECEMBER 13, 2005 BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE (BPAC) MEETING MINUTES |
| Action/Lisa Marie Hammond | 3. | LEGISLATION  |
|                           |    | A. ACA 23 (RICHMAN) – DEFINED CONTRIBUTION AND HYBRID PLAN   |
| Action/Alan Milligan      | 4. | 2005 COST-OF-LIVING REPORT   |
| Information/Rick Nelson   | 5. | SUMMARY OF THE 2005 MEMBER-AT-LARGE BOARD ELECTION   |
| Information/Ron Seeling   | 6. | CHIEF ACTUARY REPORT   |
| Information/Kathie Vaughn | 7. | ASSISTANT EXECUTIVE OFFICER REPORT   |
| Information/Kathie Vaughn | 8. | DRAFT AGENDA FOR MARCH 14, 2006 BPAC MEETING   |
|                           | 9. | PUBLIC COMMENT   |

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item properly noticed for this Committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
HEALTH BENEFITS COMMITTEE**

**February 15, 2006**

**Lincoln Plaza North  
400 Q Street  
Auditorium  
Sacramento, CA**

**COMMITTEE MEMBERS**

George Diehr, Chair  
Priya Mathur, Vice Chair  
Philip Angelides  
Robert F. Carlson  
Rob Feckner  
Michael Navarro  
Charles Valdes  
Steve Westly

**TIME: 9:30 a.m., or Upon Adjournment or Recess of the Benefits  
and Program Administration Committee Meeting,  
Whichever is Later**

**CLOSED SESSION: Upon Adjournment or Recessing of Open Session,  
CLOSED SESSION TO DISCUSS 2007 HEALTH PLAN  
CONTRACT NEGOTIATIONS (Government Code section  
11126(c)(17)) and 2006-2007 LONG-TERM CARE RATES  
AND COMPETITIVE STRATEGY  
(Government Code section 11126(h))**

1. CALL TO ORDER AND ROLL CALL
2. ANNOUNCEMENT OF CLOSED SESSION TO DISCUSS  
2007 HEALTH PLAN CONTRACT NEGOTIATIONS AND  
2006-2007 LONG TERM CARE RATES AND COMPETITIVE  
STRATEGY
3. APPROVAL OF DECEMBER 13, 2005, HEALTH BENEFITS  
COMMITTEE MEETING MINUTES
- Action/Lisa Marie Hammond 4. SENATE BILL 154 (CHESBRO) – OUT OF STATE HEALTH  
COVERAGE
- Information/Sandra Felderstein 5. 2005 OPEN ENROLLMENT STATISTICS
- Information/Richard Krolak 6. LONG-TERM CARE 2005 ANNUAL VALUATION REPORT:  
FIRST READING – VALUATION AND PROGRAM  
RECOMMENDATIONS

Information/Terri Westbrook

7. ASSISTANT EXECUTIVE OFFICER REPORT

Information

8. PROPOSED AGENDA FOR MARCH 14, 2006, HEALTH  
BENEFITS COMMITTEE MEETING

Information

9. PUBLIC COMMENTS

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**FEBRUARY 16, 2006**

**LINCOLN PLAZA NORTH  
400 Q STREET  
AUDITORIUM  
SACRAMENTO, CA**

**AGENDA**

**CLOSED  
SESSION**

**8:00 A.M.**

**(Gov. Code secs.  
11126(a)(1) and  
(g)(1))**

CHIEF EXECUTIVE OFFICER'S BRIEFING ON PERFORMANCE AND  
PERSONNEL ISSUES

**OPEN SESSION**

**9:00 A.M. OR UPON ADJOURNMENT OR RECESSING OF CLOSED  
SESSION, WHICHEVER IS LATER**

1. CALL TO ORDER AND ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. ANNOUNCEMENT OF CLOSED SESSION
4. APPROVAL OF THE DECEMBER 14, 2005 MEETING MINUTES
5. ELECTION OF PRESIDENT AND VICE PRESIDENT FOR  
CALENDAR YEAR 2006

**INVESTMENTS**

Ms. Stausboll

6. CHIEF INVESTMENT OFFICER'S/ASSISTANT EXECUTIVE  
OFFICER'S REPORT

Mr. Mixon

7. CHIEF INVESTMENT OFFICER RECRUITMENT –  
DELEGATION TO INVESTMENT COMMITTEE AND  
FORMATION OF SUB-COMMITTEE

**COMMITTEE REPORTS** (ANY AGENDA ITEM FROM A  
PROPERLY NOTICED COMMITTEE MEETING HELD  
PRIOR TO THIS MEETING MAY BE REPORTED ON OR  
PRESENTED TO THE BOARD FOR ITS  
CONSIDERATION.)

- |             |     |  |
|-------------|-----|--|
| Mr. Valdes  | 8.  | INVESTMENT COMMITTEE (ORAL)                          |
| Mr. Shimada | 9.  | BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE (ORAL) |
| Mr. Diehr   | 10. | HEALTH BENEFITS COMMITTEE (ORAL)                     |
| Mr. Carlson | 11. | FINANCE COMMITTEE (ORAL)                             |
| Ms. Mathur  | 12. | PERFORMANCE AND COMPENSATION COMMITTEE (ORAL)        |
| Mr. Feckner | 13. | AD HOC GOVERNANCE COMMITTEE (ORAL)                   |

#### GENERAL

- |                |     |   |
|----------------|-----|---|
| Mr. Buenrostro | 14. | BOARD MEETING CALENDAR                  |
| Mr. Buenrostro | 15. | CHIEF EXECUTIVE OFFICER'S REPORT (ORAL) |

#### GOVERNMENTAL AFFAIRS

- |             |     |   |
|-------------|-----|---|
| Ms. Hammond | 16. | BOARD'S STATE LEGISLATIVE PROGRAM / BOARD'S POSITION ON STATE LEGISLATION     |
| Ms. Hammond | 17. | BOARD'S FEDERAL LEGISLATIVE PROGRAM / BOARD'S POSITION ON FEDERAL LEGISLATION |

#### LEGAL

- |           |     |   |
|-----------|-----|---|
| Mr. Mixon | 18. | PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES<br>A. LARRY D. HOLLINGSWORTH<br>B. KENNETH T. DAVENPORT<br>C. MARTY HINDERLITER |
| Mr. Mixon | 19. | GENERAL COUNSEL'S REPORT<br>A. MONTHLY NEW CASE REPORTS<br>B. ASSIGNMENT MATRIX   |

#### OTHER

- |                |     |   |
|----------------|-----|---|
| Mr. Feckner    | 20. | BOARD TRAVEL APPROVALS                  |
| Mr. Buenrostro | 21. | DRAFT AGENDA FOR MARCH 15, 2006 MEETING |
|                | 22. | NEW BUSINESS AGENDA SETTING             |
|                | 23. | PUBLIC COMMENT                          |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Committee meeting held immediately prior to this Board meeting may be considered by the Board.



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Date: January 31, 2006  
Reference No.:  
Circular Letter No.: 310-008-06  
Distribution: I, IIA, IV, V, VI, X, XII

Special:

# **Circular Letter**

TO: EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS AND  
OTHER INTERESTED PARTIES

SUBJECT: MEETING NOTICE OF THE CALPERS BOARD OF ADMINISTRATION'S  
COMMITTEES

## Finance Committee

Date and Time: Friday, February 10, 2006, 9:30 a.m.

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

## Performance and Compensation Committee

Date and Time: Friday, February 10, 2006, 10:30 a.m. or upon adjournment or recess  
of the Finance Committee meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

## R Street Subcommittee

Date and Time: Friday, February 10, 2006, 11:00 a.m. or upon adjournment or  
recess of the Performance and Compensation Committee meeting, whichever is later

Location: Room 1140, Lincoln Plaza North, 400 Q Street, Sacramento, CA

## Investment Policy Subcommittee

Date and Time: Friday, February 10, 2006, 11:30 a.m. or upon adjournment or recess  
of the R Street Subcommittee meeting, whichever is later

Location: Room 1140, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Items scheduled for the public sessions of the meetings are listed on the attached  
agendas. This information is also available on the CalPERS website at  
[www.calpers.ca.gov](http://www.calpers.ca.gov). Questions pertaining to the meetings may be directed to  
Lanette Hunt at 916/795-3829.

FRED BUENROSTRO  
Chief Executive Officer

Attachments

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**FINANCE COMMITTEE**

**FRIDAY, FEBRUARY 10, 2006  
9:30 A.M.**

Lincoln Plaza North  
400 Q Street  
Auditorium  
Sacramento, CA 95814

**COMMITTEE MEMBERS**

Robert F. Carlson, Chair  
Steve Westly, Vice Chair  
Philip Angelides  
George Diehr  
Priya Mathur  
Charles Valdes

**AGENDA**

1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF DECEMBER 9, 2005 MEETING MINUTES

**AUDITS**

INFORMATION  
Larry Jensen

ACTION  
Larry Jensen

ACTION  
Larry Jensen

ACTION  
Larry Jensen

3. CHIEF AUDITOR'S REPORT
4. MANAGEMENT LETTER FOR THE YEAR ENDING JUNE 30, 2005
5. STATE SAVINGS PLUS PROGRAM AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDING JUNE 30, 2005
6. REQUEST FOR PROPOSAL (RFP) FOR FINANCIAL STATEMENT AUDITOR

### **COMPLIANCE**

INFORMATION  
Sherry Johnstone

7. CHIEF COMPLIANCE OFFICER'S ANNUAL REPORT

INFORMATION  
Sherry Johnstone

8. COMPLIANCE OFFICE REPORT

### **PLANNING**

INFORMATION  
Susan Garrett

9. 2005-06 ANNUAL PLAN – SECOND QUARTER UPDATE

### **INFORMATION TECHNOLOGY SERVICES**

INFORMATION  
Gene Reich

10. INFORMATION TECHNOLOGY SERVICES  
STATUS REPORT

### **BUDGETS**

ACTION  
Lyn Vice

11. FISCAL YEAR (FY) 2005-06 MID-YEAR BUDGET  
REVISIONS (SECOND READING)

ACTION  
Russell Fong

12. BUDGET AND EXPENDITURE REPORT FOR THE  
SECOND QUARTER OF FISCAL YEAR 2005-06

INFORMATION  
Lyn Vice

13. CURRENT BUDGET ISSUES

INFORMATION  
Rick Nelson

14. ANNUAL CONSULTING AND SERVICES CONTRACTS  
REPORT

INFORMATION  
Curtis Howard

15. ASSISTANT EXECUTIVE OFFICER REPORT

INFORMATION  
Curtis Howard

16. PROPOSED MARCH 2006 AGENDA

17. PUBLIC COMMENT

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item properly noticed for this Committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**PERFORMANCE AND COMPENSATION COMMITTEE**

FEBRUARY 10, 2006  
10:30 A.M. OR UPON ADJOURNMENT OR RECESS OF THE  
FINANCE COMMITTEE MEETING, WHICHEVER IS LATER

LINCOLN PLAZA NORTH  
400 Q STREET  
AUDITORIUM  
SACRAMENTO, CALIFORNIA

**COMMITTEE MEMBERS**

**Priya Mathur, Chair  
Robert F. Carlson  
George Diehr  
Michael Navarro  
Kurato Shimada  
Charles Valdes**

**AGENDA**

**OPEN SESSION**

- |                           |    |   |
|---------------------------|----|---|
|                           | 1. | CALL TO ORDER AND ROLL CALL   |
|                           | 2. | APPROVAL OF THE DECEMBER 9, 2005<br>PERFORMANCE AND COMPENSATION<br>COMMITTEE MEETING MINUTES   |
| Action/Chris O'Brien      | 3. | SECOND QUARTER STATUS REPORTS ON<br>PERFORMANCE PLANS OF THE CHIEF<br>EXECUTIVE OFFICER, CHIEF ACTUARY, CHIEF<br>INVESTMENT OFFICER AND HIS DIRECT<br>REPORTING STAFF |
| Information/Chris O'Brien | 4. | CHANGES IN SENIOR PORTFOLIO MANAGER<br>AND PORTFOLIO MANAGER PERFORMANCE<br>PLANS   |
| Action/Chris O'Brien      | 5. | 2005-2006 PERFORMANCE PLAN FOR<br>RECENTLY APPOINTED SENIOR PORTFOLIO<br>MANAGER, CORPORATE GOVERNANCE<br>(SECOND READING)  |

## Page 2

- |                           |     |  |
|---------------------------|-----|--|
| Action/Chris O'Brien      | 6.  | 2005-2006 PERFORMANCE PLAN FOR RECENTLY APPOINTED PORTFOLIO MANAGER, REAL ESTATE (FIRST READING) |
| Information/Chris O'Brien | 7.  | INTRODUCTION OF EXECUTIVE COMPENSATION CONSULTANT AND DISCUSSION OF BIENNIAL SALARY SURVEY       |
| Information/Chris O'Brien | 8.  | HUMAN RESOURCES DIVISION REPORT  |
| Information/Chris O'Brien | 9.  | PROPOSED APRIL 2006 AGENDA   |
| Information/Chris O'Brien | 10. | PUBLIC COMMENT   |

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION**

**R STREET SUBCOMMITTEE  
OF THE INVESTMENT COMMITTEE**

FEBRUARY 10, 2006

11:00 AM OR UPON ADJOURNMENT OR RECESS OF THE  
PERFORMANCE AND COMPENSATION COMMITTEE MEETING  
WHICHEVER IS LATER

LINCOLN PLAZA NORTH  
400 Q STREET  
ROOM 1140  
SACRAMENTO, CALIFORNIA

**COMMITTEE MEMBERS**

**Charles Valdes, Chair**  
**Robert F. Carlson, Vice Chair**  
**Priya Mathur**  
**Kurato Shimada**  
**Ronald Alvarado, Advisor to Subcommittee**

**OPEN SESSION**

- |             |    |  |
|-------------|----|--|
|             | 1. | CALL TO ORDER AND ROLL CALL  |
| ACTION      | 2. | Approval of the December 9, 2005 Open Session Meeting Minutes        |
| INFORMATION | 3. | Real Estate Update on R Street Residential Development               |
| INFORMATION | 4. | R Street Manager's Report  |
| ACTION      | 5. | Proposed Agenda for the March 10, 2006 R Street Subcommittee Meeting |
| INFORMATION | 6. | Public Comment   |

NOTE: Items designated for information are appropriate for Subcommittee action if the Subcommittee wishes to take action. Any agenda item acted upon at this committee may be brought to the Investment Committee at its next regularly scheduled meeting.

**California Public Employees' Retirement System  
Board of Administration**

**Policy Subcommittee  
of the  
Investment Committee**

February 10, 2006

At 11:30 a.m. or upon adjournment or recess of the  
R Street Subcommittee Meeting,  
whichever is later.

Lincoln Plaza North  
400 Q Street  
Room 1140  
Sacramento, California

**COMMITTEE MEMBERS**

**Priya Mathur, Chair**  
**Steve Westly, Vice Chair**  
**Philip Angelides**  
**Robert Carlson**  
**Charles Valdes**

**AGENDA**

- |                               |  |
|-------------------------------|--|
|                               | 1. Call to Order and Roll Call   |
| ACTION                        | 2. Approval of the December 9, 2005 Meeting Minutes  |
| ACTION<br>E. Baggesen         | 3. Equity Policies<br>a. Revision of Domestic Enhanced Index – Internally<br>Managed                       |
| ACTION<br>B. Langhi           | 4. Miscellaneous Policies<br>a. Adoption of Glossary Terms –<br>Credit Accommodation<br>Credit Enhancement |
| ACTION/INFORMATION<br>G. Hood | 5. Administrative<br>Proposed April 2006 Agenda  |
| INFORMATION                   | 6. Public Comment  |

Note: Items designated for information are appropriate for Subcommittee action if the Subcommittee wishes to take action. Any agenda item acted upon at this Subcommittee meeting may be brought to the Investment Committee at its next regularly scheduled meeting. Items are noticed for action after a first reading. The Committee is free, however, to request a second reading of any item before approving it.